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SIPDIS

SENSITIVE

STATE FOR EAP/BCLTV, EB  
COMMERCE FOR ITA JEAN KELLY  
TREASURY FOR OASIA JEFF NEIL  
USPACOM FOR FPA

E.O. 12958: N/A

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SUBJECT: BURMA'S BUSINESSWOMEN KNOCKING ON TEAK CEILING

1. (SBU) Summary: While striving to retain its political independence, the Myanmar Women's Entrepreneur Association (MWEA) has had some success helping established Burmese businesswomen climb the business ladder. Though it has had less success building economic capacity at the lower rungs of the ladder, MWEA continues to run a small micro-credit program in several Rangoon markets. All in all, we are encouraged that a large, but neglected, portion of the Burmese business community is being exposed to important international business principles. End summary.

Stanford in the Lead

2. (SBU) The Myanmar Women's Entrepreneur Association (MWEA), founded by a Burmese graduate of Stanford University's MBA program, is focusing on a neglected element in Burma's atrophied economy -- women. Women often do not have access to as much capital as men, and social norms frown on young women (under 40) being too ambitious or aggressive in business or elsewhere. However, Burmese tradition does not prohibit women from entering the workplace or running a business. In fact, women dominate certain, mostly retail or brokering, sectors of the economy. Though girls still face educational discrimination at the lower levels, the country's relatively new MBA program has gone from 1/3rd women to about 40-50 percent women in about five years.

3. (U) MWEA, now with approximately 1,200 members, was founded in 1995 and has managed to steer a tenuous path between government approval, a necessity for survival, and co-option -- the death knell for creativity and independence. Unlike other women's "NGOs" in Burma, MWEA does not have any grande dame (usually the wife of one of the State Peace and Development Committee's Big 3) at its helm -- instead it is chaired and co-chaired by senior Burmese businesswomen. Likewise it is not directly affiliated with any government ministries, nor does it receive any GOB funding. After some debate, MWEA decided against affiliating itself with the government's mass member political organization the Union Solidarity and Development Association (USDA).

Going Low...

4. (SBU) To try and boost up women on the lowest rungs of the business ladder, MWEA is running an income generation program in several Rangoon marketplaces. MWEA is reluctant to call its work "micro-credit," as such a program would fall afoul of Burma's archaic banking laws. However, MWEA is providing very small loans (usually about US\$5) and charging 3 percent monthly interest over 12 months. Interest is plowed back into a revolving fund, allowing larger loans (up to US\$10). Even in Burma, though, there is not much that can be done with such small sums. The ultimate objective is to gradually expand the amounts available and then teach participants how to borrow from the official banking system.

5. (SBU) Though micro-credit has had success in Burma, under the auspices of UNDP or large foreign corporations, MWEA has thus far been frustrated. The founder commented that most small businesswomen in the markets are ignorant and suspicious of formal banking and are thus reluctant to do any paperwork or take on any formal responsibility -- even for a larger sum of money. MWEA's micro-loans are now all done informally. She also blames a lack of managerial resources and vision at her own organization for the program's poor results. The larger internationally funded micro-credit projects in Burma, she argues, benefit from a large support infrastructure, including education for borrowers and regular assistance from project staff, that MWEA cannot muster.

Going High...

6. (SBU) The MWEA has had more success working with its membership, generally women already firmly on the ladder. MWEA's founder told us she is encouraged to see more and more young, technically savvy women joining the organization. She credits regular seminars and workshops, many of which are funded by foreign governments and foundations, for inspiring

some members with new ideas about sound business practices. She is pleased that younger women, both MWEA members and at the country's MBA program, seem to be absorbing concepts of accountability and corporate responsibility that are not part of Burma's traditional business culture. Likewise, she said, the notion is sinking in that there is a linkage between national economic growth and a positive business climate -- a concept quite foreign to the current regime and its cronies.

Comment: Building Capacity

17. (SBU) Because women are not generally commanding large-scale manufacturing or construction companies, they are perhaps less susceptible to government pressure and the allures of corruption and cronyism. We don't want to overstate the role of these entrepreneurs in the current economic system, or the ability of the MWEA to work miracles. However, it is encouraging to see a business organization dedicated to spreading the gospel of corporate governance, accountability, and entrepreneurship among Burma's relatively independent businesswomen.  
Martinez